

SENATE MOTION

MR. PRESIDENT:

I move that Engrossed House Bill 1001(ss) be amended to read as follows:

- 1 Delete everything after the enacting clause and insert the following:
- 2 SECTION 1. IC 6-1.1-4-4, AS AMENDED BY P.L.90-2002,
- 3 SECTION 30, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 4 JULY 1, 2002]: Sec. 4. (a) A general reassessment, involving a
- 5 physical inspection of all real property in Indiana, shall begin July 1,
- 6 2000. ~~and each fourth year thereafter. The general reassessment~~
- 7 ~~scheduled to begin July 1, 2000, shall be completed on or before~~
- 8 ~~March 1, 2003, and shall be the basis for taxes first due and~~
- 9 ~~payable beginning in the following year. The general reassessment~~
- 10 ~~does not apply to the March 1, 2002, assessment date. A general~~
- 11 ~~reassessment, involving a physical inspection of all real property~~
- 12 ~~in Indiana, shall begin July 1, 2005, and each fourth year~~
- 13 ~~thereafter. Each reassessment beginning after June 30, 2005, shall~~
- 14 ~~be completed on or before March 1, of the immediately following~~
- 15 ~~even-numbered odd-numbered~~ year, and shall be the basis for taxes
- 16 payable in the year following the year in which the general assessment
- 17 is to be completed.
- 18 (b) In order to ensure that assessing officials and members of each
- 19 county property tax assessment board of appeals are prepared for a
- 20 general reassessment of real property, the department of local
- 21 government finance shall give adequate advance notice of the general
- 22 reassessment to the county and township taxing officials of each
- 23 county.
- 24 SECTION 2. IC 6-1.1-4-4.5, AS ADDED BY P.L.198-2001,
- 25 SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 26 JANUARY 1, 2003]: Sec. 4.5. (a) The department of local government
- 27 finance shall adopt rules establishing a system for annually adjusting
- 28 the assessed value of real property to account for changes in value in
- 29 those years since a general reassessment of property last took effect.

(b) The system must be applied to adjust assessed values beginning with the ~~2006~~ **2007** assessment date and each year thereafter that is not a year in which a reassessment becomes effective.

(c) The system must have the following characteristics:

(1) Promote uniform and equal assessment of real property within and across classifications.

(2) Apply all objectively verifiable factors used in mass valuation techniques that are reasonably expected to affect the value of real property in Indiana.

(3) Prescribe as many adjustment percentages and whatever categories of percentages the department of local government finance finds necessary to achieve objectively verifiable updated just valuations of real property. An adjustment percentage for a particular classification may be positive or negative.

(4) Prescribe procedures, including computer software programs, that permit the application of the adjustment percentages in an efficient manner by assessing officials.

SECTION 3. IC 6-1.1-4-32, AS AMENDED BY P.L.178-2002, SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 32. (a) As used in this section, "contract" refers to a contract entered into under this section.

(b) As used in this section, "contractor" refers to a firm that enters into a contract with the department of local government finance under this section.

(c) As used in this section, "qualifying county" means a county having a population of more than four hundred thousand (400,000) but less than seven hundred thousand (700,000).

(d) Notwithstanding sections 15 and 17 of this chapter, a township assessor in a qualifying county may not appraise property, or have property appraised, for the general reassessment of real property to be completed for the March 1, ~~2002~~, **2003**, assessment date. Completion of that general reassessment in a qualifying county is instead governed by this section. The only duty of:

(1) a township assessor in a qualifying county; or

(2) a county assessor of a qualifying county;

with respect to that general reassessment is to provide to the department of local government finance or the department's contractor under subsection (e) any support and information requested by the department or the contractor. This subsection expires June 30, 2004.

(e) The department of local government finance shall select and contract with a certified public accounting firm with expertise in the appraisal of real property to appraise property for the general reassessment of real property in a qualifying county to be completed for the March 1, ~~2002~~, **2003**, assessment date. The department of local government finance may enter into additional contracts to provide software or other auxiliary services to be used for the appraisal of property for the general reassessment. The contract applies for the

1 appraisal of land and improvements with respect to all classes of real
 2 property in the qualifying county. The contract must include:

3 (1) a provision requiring the appraisal firm to:

4 (A) prepare a detailed report of:

- 5 (i) expenditures made after July 1, 1999, and before the date
- 6 of the report from the qualifying county's reassessment fund
- 7 under section 28 of this chapter (repealed); and
- 8 (ii) the balance in the reassessment fund as of the date of the
- 9 report; and

10 (B) file the report with:

- 11 (i) the legislative body of the qualifying county;
- 12 (ii) the prosecuting attorney of the qualifying county;
- 13 (iii) the department of local government finance; and
- 14 (iv) the attorney general;

15 (2) a fixed date by which the appraisal firm must complete all
 16 responsibilities under the contract;

17 (3) subject to subsection (t), a provision requiring the appraisal
 18 firm to use the land values determined for the qualifying county
 19 under section 13.6 of this chapter;

20 (4) a penalty clause under which the amount to be paid for
 21 appraisal services is decreased for failure to complete specified
 22 services within the specified time;

23 (5) a provision requiring the appraisal firm to make periodic
 24 reports to the department of local government finance;

25 (6) a provision stipulating the manner in which, and the time
 26 intervals at which, the periodic reports referred to in subdivision
 27 (5) are to be made;

28 (7) a precise stipulation of what service or services are to be
 29 provided;

30 (8) a provision requiring the appraisal firm to deliver a report of
 31 the assessed value of each parcel in a township in the qualifying
 32 county to the department of local government finance; and

33 (9) any other provisions required by the department of local
 34 government finance.

35 After December 31, 2001, the department of local government finance
 36 has all the powers and duties of the state board of tax commissioners
 37 provided under a contract entered into under this subsection (as
 38 effective before January 1, 2002) before January 1, 2002. The contract
 39 is valid to the same extent as if it were entered into by the department
 40 of local government finance. However, a reference in the contract to
 41 the state board of tax commissioners shall be treated as a reference to
 42 the department of local government finance. The contract shall be
 43 treated for all purposes, including the application of IC 33-3-5-2.5, as
 44 the contract of the department of local government finance. If the
 45 department of local government finance terminates a contract before
 46 completion of the work described in this subsection, the department
 47 shall contract for completion of the work as promptly as possible under

1 IC 5-22-6. This subsection expires June 30, 2004.

2 (f) At least one (1) time each month, the contractors that will make
 3 physical visits to the site of real property for reassessment purposes
 4 shall publish a notice under IC 5-3-1 describing the areas that are
 5 scheduled to be visited within the next thirty (30) days and explaining
 6 the purposes of the visit. The notice shall be published in a way to
 7 promote understanding of the purposes of the visit in the affected areas.
 8 After receiving the report of assessed values from the appraisal firm
 9 acting under a contract described in subsection (e), the department of
 10 local government finance shall give notice to the taxpayer and the
 11 county assessor, by mail, of the amount of the reassessment. The notice
 12 of reassessment is subject to appeal by the taxpayer to the Indiana
 13 board. The procedures and time limitations that apply to an appeal to
 14 the Indiana board of a determination of the department of local
 15 government finance apply to an appeal under this subsection. A
 16 determination by the Indiana board of an appeal under this subsection
 17 is subject to appeal to the tax court under IC 6-1.1-15. This subsection
 18 expires on the later of June 30, 2004, or the date a final determination
 19 is entered in the last pending appeal filed under this subsection.

20 (g) In order to obtain a review by the Indiana board under
 21 subsection (f), the taxpayer must file a petition for review with the
 22 appropriate county assessor within forty-five (45) days after the notice
 23 of the department of local government finance is given to the taxpayer
 24 under subsection (f). This subsection expires June 30, 2004.

25 (h) The department of local government finance shall mail the
 26 notice required by subsection (f) within ninety (90) days after the
 27 department receives the report for a parcel from the professional
 28 appraisal firm. This subsection expires June 30, 2004.

29 (i) The qualifying county shall pay the cost of any contract under
 30 this section which shall be without appropriation from the county
 31 property reassessment fund. A contractor may periodically submit bills
 32 for partial payment of work performed under a contract. However, the
 33 maximum amount that the qualifying county is obligated to pay for all
 34 contracts entered into under subsection (e) for the general reassessment
 35 of real property in the qualifying county to be completed for the March
 36 1, ~~2002~~, **2003**, assessment date is twenty-five million five hundred
 37 thousand dollars (\$25,500,000). Notwithstanding any other law, a
 38 contractor is entitled to payment under this subsection for work
 39 performed under a contract if the contractor:

40 (1) submits, in the form required by IC 5-11-10-1, a fully
 41 itemized, certified bill for the costs under the contract of the work
 42 performed to the department of local government finance for
 43 review;

44 (2) obtains from the department of local government finance:

45 (A) approval of the form and amount of the bill; and

46 (B) a certification that the billed goods and services billed for
 47 payment have been received and comply with the contract; and

(3) files with the county auditor of the qualifying county:

(A) a duplicate copy of the bill submitted to the department of local government finance;

(B) the proof of approval provided by the department of local government finance of the form and amount of the bill that was approved; and

(C) the certification provided by the department of local government finance that indicates that the goods and services billed for payment have been received and comply with the contract.

An approval and a certification under subdivision (2) shall be treated as conclusively resolving the merits of the claim. Upon receipt of the documentation described in subdivision (3), the county auditor shall immediately certify that the bill is true and correct without further audit, publish the claim as required by IC 36-2-6-3, and submit the claim to the county executive of the qualifying county. The county executive shall allow the claim, in full, as approved by the department of local government finance without further examination of the merits of the claim in a regular or special session that is held not less than three (3) days and not more than seven (7) days after completion of the publication requirements under IC 36-2-6-3. Upon allowance of the claim by the county executive, the county auditor shall immediately issue a warrant or check for the full amount of the claim approved by the department of local government finance. Compliance with this subsection shall be treated as compliance with section 28.5 of this chapter, IC 5-11-6-1, IC 5-11-10, and IC 36-2-6. The determination and payment of a claim in compliance with this subsection is not subject to remonstrance and appeal. IC 36-2-6-4(f) and IC 36-2-6-9 do not apply to a claim under this subsection. IC 5-11-10-1.6(d) applies to a fiscal officer who pays a claim in compliance with this subsection. This subsection expires June 30, 2004.

(j) Notwithstanding IC 4-13-2, a period of seven (7) days is permitted for each of the following to review and act under IC 4-13-2 on a contract of the department of local government finance under this section:

(1) The commissioner of the Indiana department of administration.

(2) The director of the budget agency.

(3) The attorney general.

(4) The governor.

(k) With respect to a general reassessment of real property to be completed under section 4 of this chapter for an assessment date after the March 1, ~~2002~~, **2003**, assessment date, the department of local government finance shall initiate a review with respect to the real property in a qualifying county or a township in a qualifying county, or a portion of the real property in a qualifying county or a township in a qualifying county. The department of local government finance may

contract to have the review performed by an appraisal firm. The department of local government finance or its contractor shall determine for the real property under consideration and for the qualifying county or township the variance between:

- (1) the total assessed valuation of the real property within the qualifying county or township; and
- (2) the total assessed valuation that would result if the real property within the qualifying county or township were valued in the manner provided by law.

(l) If:

- (1) the variance determined under subsection (k) exceeds ten percent (10%); and
- (2) the department of local government finance determines after holding hearings on the matter that a special reassessment should be conducted;

the department shall contract for a special reassessment by an appraisal firm to correct the valuation of the property.

(m) If the variance determined under subsection (k) is ten percent (10%) or less, the department of local government finance shall determine whether to correct the valuation of the property under:

- (1) sections 9 and 10 of this chapter; or
- (2) IC 6-1.1-14-10 and IC 6-1.1-14-11.

(n) The department of local government finance shall give notice by mail to a taxpayer of a hearing concerning the department's intent to cause the taxpayer's property to be reassessed under this section. The time fixed for the hearing must be at least ten (10) days after the day the notice is mailed. The department of local government finance may conduct a single hearing under this section with respect to multiple properties. The notice must state:

- (1) the time of the hearing;
- (2) the location of the hearing; and
- (3) that the purpose of the hearing is to hear taxpayers' comments and objections with respect to the department of local government finance's intent to reassess property under this chapter.

(o) If the department of local government finance determines after the hearing that property should be reassessed under this section, the department shall:

- (1) cause the property to be reassessed under this section;
- (2) mail a certified notice of its final determination to the county auditor of the qualifying county in which the property is located; and
- (3) notify the taxpayer by mail of its final determination.

(p) A reassessment may be made under this section only if the notice of the final determination under subsection (n) is given to the taxpayer within the same period prescribed in IC 6-1.1-9-3 or IC 6-1.1-9-4.

(q) If the department of local government finance contracts for a

special reassessment of property under this section, the qualifying county shall pay the bill, without appropriation, from the county property reassessment fund. A contractor may periodically submit bills for partial payment of work performed under a contract. Notwithstanding any other law, a contractor is entitled to payment under this subsection for work performed under a contract if the contractor:

- (1) submits, in the form required by IC 5-11-10-1, a fully itemized, certified bill for the costs under the contract of the work performed to the department of local government finance for review;
- (2) obtains from the department of local government finance:
 - (A) approval of the form and amount of the bill; and
 - (B) a certification that the billed goods and services billed for payment have been received and comply with the contract; and
- (3) files with the county auditor of the qualifying county:
 - (A) a duplicate copy of the bill submitted to the department of local government finance;
 - (B) the proof of approval provided by the department of local government finance of the form and amount of the bill that was approved; and
 - (C) the certification provided by the department of local government finance that indicates that the goods and services billed for payment have been received and comply with the contract.

An approval and a certification under subdivision (2) shall be treated as conclusively resolving the merits of the claim. Upon receipt of the documentation described in subdivision (3), the county auditor shall immediately certify that the bill is true and correct without further audit, publish the claim as required by IC 36-2-6-3, and submit the claim to the county executive of the qualifying county. The county executive shall allow the claim, in full, as approved by the department of local government finance without further examination of the merits of the claim in a regular or special session that is held not less than three (3) days and not more than seven (7) days after completion of the publication requirements under IC 36-2-6-3. Upon allowance of the claim by the county executive, the county auditor shall immediately issue a warrant or check for the full amount of the claim approved by the department of local government finance. Compliance with this subsection shall be treated as compliance with section 28.5 of this chapter, IC 5-11-6-1, IC 5-11-10, and IC 36-2-6. The determination and payment of a claim in compliance with this subsection is not subject to remonstrance and appeal. IC 36-2-6-4(f) and IC 36-2-6-9 do not apply to a claim under this subsection. IC 5-11-10-1.6(d) applies to a fiscal officer who pays a claim in compliance with this subsection.

(r) A qualifying official (as defined in IC 33-3-5-2.5) shall provide information requested in writing by the department of local government

1 finance or the department's contractor under this section not later than
 2 seven (7) days after receipt of the written request from the department
 3 or the contractor. If a qualifying official (as defined in IC 33-3-5-2.5)
 4 fails to provide the requested information within the time permitted in
 5 this subsection, the department of local government finance or the
 6 department's contractor may seek an order of the tax court under
 7 IC 33-3-5-2.5 for production of the information.

8 (s) The provisions of this section are severable in the manner
 9 provided in IC 1-1-1-8(b).

10 (t) A contract entered into under subsection (e) is subject to this
 11 subsection. A contractor shall use the land values determined for the
 12 qualifying county under section 13.6 of this chapter to the extent that
 13 the contractor finds that the land values reflect the true tax value of
 14 land, as determined under the statutes and the rules of the department
 15 of local government finance. If the contractor finds that the land values
 16 determined for the qualifying county under section 13.6 of this chapter
 17 do not reflect the true tax value of land, the contractor shall determine
 18 land values for the qualifying county that reflect the true tax value of
 19 land, as determined under the statutes and the rules of the department
 20 of local government finance. The land values determined by the
 21 contractor shall be used to the same extent as if the land values had
 22 been determined under section 13.6 of this chapter. The contractor
 23 shall notify the county assessor and the township assessors in the
 24 qualifying county of the land values as modified under this subsection.
 25 This subsection expires June 30, 2004.

26 (u) A contractor acting under a contract under subsection (e) may
 27 notify the department of local government finance if:

28 (1) the county auditor fails to:

29 (A) certify the bill;

30 (B) publish the claim;

31 (C) submit the claim to the county executive; or

32 (D) issue a warrant or check;

33 as required in subsection (i) at the first opportunity the county
 34 auditor is legally permitted to do so;

35 (2) the county executive fails to allow the claim as required in
 36 subsection (i) at the first opportunity the county executive is
 37 legally permitted to do so; or

38 (3) a person or entity authorized to act on behalf of the county
 39 takes or fails to take an action, including failure to request an
 40 appropriation, and that action or failure to act delays or halts the
 41 process under this section for payment of a bill submitted by a
 42 contractor under subsection (i).

43 This subsection expires June 30, 2004.

44 (v) The department of local government finance, upon receiving
 45 notice under subsection (u) from the contractor, shall:

46 (1) verify the accuracy of the contractor's assertion in the notice
 47 that:

1 (A) a failure occurred as described in subsection (b)(1) or
 2 (b)(2); or

3 (B) a person or entity acted or failed to act as described in
 4 subsection (b)(3); and

5 (2) provide to the treasurer of state the department of local
 6 government finance's approval under subsection (i)(2)(A) of the
 7 bill with respect to which the contractor gave notice under
 8 subsection (u).

9 This subsection expires June 30, 2004.

10 (w) Upon receipt of the approval of the department of local
 11 government finance under subsection (v), the treasurer of state shall
 12 pay the contractor the amount of the bill approved by the department
 13 of local government finance from money in the possession of the state
 14 that would otherwise be available for distribution to the qualifying
 15 county, including distributions from the property tax replacement fund
 16 or distributions of admissions taxes or wagering taxes. This subsection
 17 expires June 30, 2004.

18 (x) The treasurer of state shall withhold from the part attributable to
 19 the county of the next distribution to the county treasurer under
 20 IC 4-33-12-6 (**before its repeal**), IC 4-33-13-5, IC 6-1.1-21-4(b), or
 21 another law the amount of any payment made by the treasurer of state
 22 to the contractor under subsection (w). Money shall be deducted first
 23 from money payable under IC 6-1.1-21.4(b) and then from all other
 24 funds payable to the qualifying county. This subsection expires June
 25 30, 2004.

26 (y) Compliance with subsections (u) through (x) shall be treated as
 27 compliance with IC 5-11-10. This subsection expires June 30, 2004.

28 (z) IC 5-11-10-1.6(d) applies to the treasurer of state with respect to
 29 the payment made in compliance with subsections (u) through (x). This
 30 subsection and subsections (u) through (y) shall be interpreted liberally
 31 so that the state shall, to the extent legally valid, ensure that the
 32 contractual obligations of a county under this section are paid. Nothing
 33 in this subsection or subsections (u) through (y) shall be construed to
 34 create a debt of the state. This subsection expires June 30, 2004.

35 SECTION 4. IC 6-1.1-21-10, AS AMENDED BY P.L.176-2002,
 36 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 37 JANUARY 1, 2003]: Sec. 10. (a) There is established a property tax
 38 replacement fund board to consist of the commissioner of the
 39 department, the commissioner of the department of local government
 40 finance, the director of the budget agency, and two (2) ex officio
 41 nonvoting representatives of the general assembly of the state of
 42 Indiana. The speaker of the house of representatives shall appoint one
 43 (1) member of the house as one (1) of the ex officio nonvoting
 44 representatives, and the president pro tempore of the senate shall
 45 appoint one (1) senator as the other ex officio nonvoting representative,
 46 each to serve at the will of the appointing officer. The commissioner of
 47 the department shall be the chairman of the board, and the director of

the budget agency shall be the secretary of the board.

(b) The board may, upon a vote of a majority of the members of the board, increase the percentage of property tax replacement funds to be distributed from the property tax replacement fund to the several counties for credit to the taxpayers in the counties as provided in this chapter if in the judgment of the board there are surplus funds available in the fund for the increased distribution. The board shall make such a determination on or before March 1 of each year relative to the amounts to be distributed from the property tax replacement fund for that year. Upon such a determination the commissioner of the department of state revenue shall immediately notify the treasurers of the several counties of the increased distribution.

(c) Except as provided in section 10.5 of this chapter, the schedule to be used in making distributions to county treasurers during the periods set forth in section 4(b) of this chapter is as follows:

January	0.00%
February	0.00%
March	16.70%
April	16.70%
May	16.60% 0.00%
June	0.00%
July	0.00% 16.60%
August	0.00%
September	16.70%
October	16.70%
November	16.60%
December	0.00%

The board may authorize the department to distribute the estimated distributions to counties earlier than what is required under section 4(b) of this chapter.

(d) (c) The board is also authorized to transfer funds from the property tax replacement fund for the purpose of providing financial aid to school corporations as provided in IC 21-3.

SECTION 5. IC 6-1.1-12-41 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: **Sec. 41. (a) This section does not apply to assessment years beginning after December 31, 2005.**

(b) As used in this section, "assessed value of inventory" means the assessed value determined after the application of any deductions or adjustments that apply by statute or rule to the assessment of inventory, other than the deduction allowed under subsection (f).

(c) As used in this section, "county income tax council" means a council established by IC 6-3.5-6-2.

(d) As used in this section, "fiscal body" has the meaning set forth in IC 36-1-2-6.

(e) As used in this section, "inventory" has the meaning set forth

1 in IC 6-1.1-3-11.

2 (f) An ordinance may be adopted in a county to provide that a
3 deduction applies to the assessed value of inventory located in the
4 county. The deduction is equal to one hundred percent (100%) of
5 the assessed value of inventory located in the county for the
6 appropriate year of assessment. An ordinance adopted under this
7 subsection must be adopted before January 1 of a calendar year
8 beginning after December 31, 2002. An ordinance adopted under
9 this section in a particular year applies to each subsequent
10 assessment year ending before January 1, 2006. An ordinance
11 adopted under this section may be consolidated with an ordinance
12 adopted under IC 6-3.5-7-25 or IC 6-3.5-7-26. The consolidation of
13 an ordinance adopted under this section with an ordinance adopted
14 under IC 6-3.5-7-26 does not cause the ordinance adopted under
15 IC 6-3.5-7-26 to expire after December 31, 2005.

16 (g) An ordinance may not be adopted under subsection (f) after
17 March 30, 2004. However, an ordinance adopted under this section
18 may be amended after March 30, 2004, to consolidate an ordinance
19 adopted under IC 6-3.5-7-26.

20 (h) The entity that may adopt the ordinance permitted under
21 subsection (f) is:

22 (1) the county income tax council if the county option income
23 tax is in effect on January 1 of the year in which an ordinance
24 under this section is adopted;

25 (2) the county fiscal body if the county adjusted gross income
26 tax is in effect on January 1 of the year in which an ordinance
27 under this section is adopted; or

28 (3) the county income tax council or the county fiscal body,
29 whichever acts first, for a county not covered by subdivision
30 (1) or (2).

31 To adopt an ordinance under subsection (f), a county income tax
32 council shall use the procedures set forth in IC 6-3.5-6 concerning
33 the imposition of the county option income tax. The entity that
34 adopts the ordinance shall provide a certified copy of the ordinance
35 to the department of local government finance before February 1.

36 (i) A taxpayer is not required to file an application to qualify for
37 the deduction permitted under subsection (f).

38 (j) The department of local government finance shall
39 incorporate the deduction established in this section in the personal
40 property return form to be used each year for filing under
41 IC 6-1.1-3-7 or IC 6-1.1-3-7.5 to permit the taxpayer to enter the
42 deduction on the form. If a taxpayer fails to enter the deduction on
43 the form, the township assessor shall:

44 (1) determine the amount of the deduction; and

45 (2) within the period established in IC 6-1.1-16-1, issue a
46 notice of assessment to the taxpayer that reflects the
47 application of the deduction to the inventory assessment.

48 (k) The deduction established in this section must be applied to

1 **any inventory assessment made by:**

- 2 **(1) an assessing official;**
 3 **(2) a county property tax board of appeals; or**
 4 **(3) the department of local government finance.**

5 SECTION 6. IC 6-1.1-12-42 IS ADDED TO THE INDIANA CODE
 6 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 7 1, 2003]: **Sec. 42. (a) As used in this section, "assessed value of**
 8 **inventory" means the assessed value determined after the**
 9 **application of any deductions or adjustments that apply by statute**
 10 **or rule to the assessment of inventory, other than the deduction**
 11 **established in subsection (c).**

12 **(b) As used in this section, "inventory" has the meaning set**
 13 **forth in IC 6-1.1-3-11.**

14 **(c) A taxpayer is entitled to a deduction from assessed value**
 15 **equal to one hundred percent (100%) of the taxpayer's assessed**
 16 **value of inventory beginning with assessments made in 2006 for**
 17 **property taxes first due and payable in 2007.**

18 **(d) A taxpayer is not required to file an application to qualify**
 19 **for the deduction established by this section.**

20 **(e) The department of local government finance shall**
 21 **incorporate the deduction established by this section in the**
 22 **personal property return form to be used each year for filing under**
 23 **IC 6-1.1-3-7 or IC 6-1.1-3-7.5 to permit the taxpayer to enter the**
 24 **deduction on the form. If a taxpayer fails to enter the deduction on**
 25 **the form, the township assessor shall:**

- 26 **(1) determine the amount of the deduction; and**
 27 **(2) within the period established in IC 6-1.1-16-1, issue a**
 28 **notice of assessment to the taxpayer that reflects the**
 29 **application of the deduction to the inventory assessment.**

30 **(f) The deduction established by this section must be applied to**
 31 **any inventory assessment made by:**

- 32 **(1) an assessing official;**
 33 **(2) a county property tax assessment board of appeals; or**
 34 **(3) the department of local government finance.**

35 SECTION 7. IC 6-3.5-7-5, AS AMENDED BY P.L.178-2002,
 36 SECTION 68, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 37 JANUARY 1, 2003]: **Sec. 5. (a) Except as provided in subsection (c),**
 38 **the county economic development income tax may be imposed on the**
 39 **adjusted gross income of county taxpayers. The entity that may impose**
 40 **the tax is:**

- 41 **(1) the county income tax council (as defined in IC 6-3.5-6-1) if**
 42 **the county option income tax is in effect on January 1 of the year**
 43 **the county economic development income tax is imposed;**
 44 **(2) the county council if the county adjusted gross income tax is**
 45 **in effect on January 1 of the year the county economic**
 46 **development tax is imposed; or**
 47 **(3) the county income tax council or the county council,**

1 whichever acts first, for a county not covered by subdivision (1)
2 or (2).

3 To impose the county economic development income tax, a county
4 income tax council shall use the procedures set forth in IC 6-3.5-6
5 concerning the imposition of the county option income tax.

6 (b) Except as provided in subsections (c), (g), ~~and~~ (k), **and (p)**, the
7 county economic development income tax may be imposed at a rate of:

- 8 (1) one-tenth percent (0.1%);
- 9 (2) two-tenths percent (0.2%);
- 10 (3) twenty-five hundredths percent (0.25%);
- 11 (4) three-tenths percent (0.3%);
- 12 (5) thirty-five hundredths percent (0.35%);
- 13 (6) four-tenths percent (0.4%);
- 14 (7) forty-five hundredths percent (0.45%); or
- 15 (8) five-tenths percent (0.5%);

16 on the adjusted gross income of county taxpayers.

17 (c) Except as provided in subsection (h), (i), (j), (k), (l), (m), (n), ~~or~~
18 (o), **or (p)**, the county economic development income tax rate plus the
19 county adjusted gross income tax rate, if any, that are in effect on
20 January 1 of a year may not exceed one and twenty-five hundredths
21 percent (1.25%). Except as provided in subsection (g) ~~or (p)~~, the
22 county economic development tax rate plus the county option income
23 tax rate, if any, that are in effect on January 1 of a year may not exceed
24 one percent (1%).

25 (d) To impose, **increase, decrease, or rescind** the county economic
26 development income tax, the appropriate body must, after January 1 but
27 before April 1 of a year, adopt an ordinance. The ordinance **to impose**
28 **the tax** must substantially state the following:

29 "The _____ County _____ imposes the county economic
30 development income tax on the county taxpayers of _____
31 County. The county economic development income tax is imposed at
32 a rate of _____ percent (____%) on the county taxpayers of the
33 county. This tax takes effect July 1 of this year."

34 (e) Any ordinance adopted under this ~~section~~ **chapter** takes effect
35 July 1 of the year the ordinance is adopted.

36 (f) The auditor of a county shall record all votes taken on ordinances
37 presented for a vote under the authority of this ~~section~~ **chapter** and
38 **immediately shall, not more than ten (10) days after the vote**, send
39 a certified copy of the results to the **commissioner of the department**
40 by certified mail.

41 (g) This subsection applies to a county having a population of more
42 than one hundred forty-eight thousand (148,000) but less than one
43 hundred seventy thousand (170,000). **Except as provided in**
44 **subsection (p)**, in addition to the rates permitted by subsection (b), the:

- 45 (1) county economic development income tax may be imposed at
- 46 a rate of:
- 47 (A) fifteen-hundredths percent (0.15%);

1 (B) two-tenths percent (0.2%); or
 2 (C) twenty-five hundredths percent (0.25%); and
 3 (2) county economic development income tax rate plus the county
 4 option income tax rate that are in effect on January 1 of a year
 5 may equal up to one and twenty-five hundredths percent (1.25%);
 6 if the county income tax council makes a determination to impose rates
 7 under this subsection and section 22 of this chapter.

8 (h) For a county having a population of more than forty-one
 9 thousand (41,000) but less than forty-three thousand (43,000), **except**
 10 **as provided in subsection (p)**, the county economic development
 11 income tax rate plus the county adjusted gross income tax rate that are
 12 in effect on January 1 of a year may not exceed one and thirty-five
 13 hundredths percent (1.35%) if the county has imposed the county
 14 adjusted gross income tax at a rate of one and one-tenth percent (1.1%)
 15 under IC 6-3.5-1.1-2.5.

16 (i) For a county having a population of more than thirteen thousand
 17 five hundred (13,500) but less than fourteen thousand (14,000), **except**
 18 **as provided in subsection (p)**, the county economic development
 19 income tax rate plus the county adjusted gross income tax rate that are
 20 in effect on January 1 of a year may not exceed one and fifty-five
 21 hundredths percent (1.55%).

22 (j) For a county having a population of more than seventy-one
 23 thousand (71,000) but less than seventy-one thousand four hundred
 24 (71,400), **except as provided in subsection (p)**, the county economic
 25 development income tax rate plus the county adjusted gross income tax
 26 rate that are in effect on January 1 of a year may not exceed one and
 27 five-tenths percent (1.5%).

28 (k) This subsection applies to a county having a population of more
 29 than twenty-seven thousand four hundred (27,400) but less than
 30 twenty-seven thousand five hundred (27,500). **Except as provided in**
 31 **subsection (p)**, in addition to the rates permitted under subsection (b):

32 (1) the county economic development income tax may be imposed
 33 at a rate of twenty-five hundredths percent (0.25%); and
 34 (2) the sum of the county economic development income tax rate
 35 and the county adjusted gross income tax rate that are in effect on
 36 January 1 of a year may not exceed one and five-tenths percent
 37 (1.5%);

38 if the county council makes a determination to impose rates under this
 39 subsection and section 22.5 of this chapter.

40 (l) For a county having a population of more than twenty-nine
 41 thousand (29,000) but less than thirty thousand (30,000), **except as**
 42 **provided in subsection (p)**, the county economic development income
 43 tax rate plus the county adjusted gross income tax rate that are in effect
 44 on January 1 of a year may not exceed one and five-tenths percent
 45 (1.5%).

46 (m) For:

47 (1) a county having a population of more than one hundred

eighty-two thousand seven hundred ninety (182,790) but less than two hundred thousand (200,000); or

(2) a county having a population of more than forty-five thousand (45,000) but less than forty-five thousand nine hundred (45,900);

except as provided in subsection (p), the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%).

(n) For a county having a population of more than six thousand (6,000) but less than eight thousand (8,000), **except as provided in subsection (p),** the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%).

(o) This subsection applies to a county having a population of more than thirty-nine thousand (39,000) but less than thirty-nine thousand six hundred (39,600). **Except as provided in subsection (p),** in addition to the rates permitted under subsection (b):

(1) the county economic development income tax may be imposed at a rate of twenty-five hundredths percent (0.25%); and

(2) the sum of the county economic development income tax rate and:

(A) the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%); or

(B) the county option income tax rate that are in effect on January 1 of a year may not exceed one and twenty-five hundredths percent (1.25%);

if the county council makes a determination to impose rates under this subsection and section 24 of this chapter.

(p) In a county in which an ordinance adopted under IC 6-1.1-12-41(f) is in effect, the county economic development income tax must be imposed under section 25 of this chapter, and in years in which the deduction under IC 6-1.1-12-42 is in effect, the county may adopt an ordinance under section 26 of this chapter. In addition:

(1) the county economic development income tax may be imposed at a rate that exceeds by not more than twenty-five hundredths percent (0.25%) the maximum rate that would otherwise apply under this section; and

(2) the:

(A) county economic development income tax; and

(B) county option income tax or county adjusted gross income tax;

may be imposed at combined rates that exceed by not more than twenty-five hundredths percent (0.25%) the maximum combined rates that would otherwise apply under this section.

However, the additional rate imposed under this subsection may

not exceed the amount necessary to mitigate the increased ad valorem property taxes on homesteads (as defined in IC 6-1.1-20.9-1) resulting from the deduction of the assessed value of inventory in the county under IC 6-1.1-12-41 or IC 6-1.1-12-42.

(q) If the county economic development income tax is imposed as authorized under subsection (p) at a rate that exceeds the maximum rate that would otherwise apply under this section, the certified distribution must be used for the purpose provided in section 25(e) or 26 of this chapter to the extent that the certified distribution results from the difference between:

- (1) the actual county economic development tax rate; and
- (2) the maximum rate that would otherwise apply under this section.

SECTION 8. IC 6-3.5-7-12, AS AMENDED BY P.L.90-2002, SECTION 298, AND AS AMENDED BY P.L.120-2002, SECTION 6, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 12. (a) Except as provided in ~~section~~ **sections 23, 25, and 26** of this chapter, the county auditor shall distribute in the manner specified in this section the certified distribution to the county.

(b) Except as provided in subsections (c) and (h) and ~~section~~ **sections 15 and 25** of this chapter, the amount of the certified distribution that the county and each city or town in a county is entitled to receive during May and November of each year equals the product of the following:

- (1) The amount of the certified distribution for that month; multiplied by
- (2) A fraction. The numerator of the fraction equals the sum of the following:
 - (A) Total property taxes that are first due and payable to the county, city, or town during the calendar year in which the month falls; plus
 - (B) For a county, an amount equal to:
 - (i) the property taxes imposed by the county in 1999 for the county's welfare fund and welfare administration fund; plus
 - (ii) after December 31, ~~2002~~, 2004, the greater of zero (0) or the difference between the county hospital care for the indigent property tax levy imposed by the county in ~~2002~~, 2004, adjusted each year after ~~2002~~ 2004 by the statewide average assessed value growth quotient described in IC 12-16-14-3, minus the current uninsured parents program property tax levy imposed by the county.

The denominator of the fraction equals the sum of the total property taxes that are first due and payable to the county and all cities and towns of the county during the calendar year in which the month falls, plus an amount equal to the property taxes imposed by the county in 1999 for the county's welfare fund and welfare administration fund, and

after December 31, ~~2002~~, 2004, the greater of zero (0) or the difference between the county hospital care for the indigent property tax levy imposed by the county in ~~2002~~, 2004, adjusted each year after ~~2002~~ 2004 by the statewide average assessed value growth quotient described in IC 12-16-14-3, minus the current uninsured parents program property tax levy imposed by the county.

(c) This subsection applies to a county council or county income tax council that imposes a tax under this chapter after June 1, 1992. The body imposing the tax may adopt an ordinance before July 1 of a year to provide for the distribution of certified distributions under this subsection instead of a distribution under subsection (b). The following apply if an ordinance is adopted under this subsection:

(1) The ordinance is effective January 1 of the following year.

(2) **Except as provided in sections 25 and 26 of this chapter**, the amount of the certified distribution that the county and each city and town in the county is entitled to receive during May and November of each year equals the product of:

(A) the amount of the certified distribution for the month; multiplied by

(B) a fraction. For a city or town, the numerator of the fraction equals the population of the city or the town. For a county, the numerator of the fraction equals the population of the part of the county that is not located in a city or town. The denominator of the fraction equals the sum of the population of all cities and towns located in the county and the population of the part of the county that is not located in a city or town.

(3) The ordinance may be made irrevocable for the duration of specified lease rental or debt service payments.

(d) The body imposing the tax may not adopt an ordinance under subsection (c) if, before the adoption of the proposed ordinance, any of the following have pledged the county economic development income tax for any purpose permitted by IC 5-1-14 or any other statute:

(1) The county.

(2) A city or town in the county.

(3) A commission, a board, a department, or an authority that is authorized by statute to pledge the county economic development income tax.

(e) The *state board of tax commissioners department of local government finance* shall provide each county auditor with the fractional amount of the certified distribution that the county and each city or town in the county is entitled to receive under this section.

(f) Money received by a county, city, or town under this section shall be deposited in the unit's economic development income tax fund.

(g) Except as provided in subsection (b)(2)(B), in determining the fractional amount of the certified distribution the county and its cities and towns are entitled to receive under subsection (b) during a calendar year, the *state board of tax commissioners department of local*

1 *government finance* shall consider only property taxes imposed on
2 tangible property subject to assessment in that county.

3 (h) In a county having a consolidated city, only the consolidated city
4 is entitled to the certified distribution, subject to the requirements of
5 ~~section~~ **sections 15, 25, and 26** of this chapter.

6 SECTION 9. IC 6-3.5-7-13.1, AS AMENDED BY P.L.124-1999,
7 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
8 JANUARY 1, 2003]: Sec. 13.1. (a) The fiscal officer of each county,
9 city, or town for a county in which the county economic development
10 tax is imposed shall establish an economic development income tax
11 fund. Except as provided in ~~section~~ **sections 23, 25, and 26** of this
12 chapter, the revenue received by a county, city, or town under this
13 chapter shall be deposited in the unit's economic development income
14 tax fund.

15 (b) Except as provided in sections 15, ~~and~~ **23, 25, and 26** of this
16 chapter, revenues from the county economic development income tax
17 may be used as follows:

18 (1) By a county, city, or town for economic development projects,
19 for paying, notwithstanding any other law, under a written
20 agreement all or a part of the interest owed by a private developer
21 or user on a loan extended by a financial institution or other
22 lender to the developer or user if the proceeds of the loan are or
23 are to be used to finance an economic development project, for
24 the retirement of bonds under section 14 of this chapter for
25 economic development projects, for leases under section 21 of
26 this chapter, or for leases or bonds entered into or issued prior to
27 the date the economic development income tax was imposed if
28 the purpose of the lease or bonds would have qualified as a
29 purpose under this chapter at the time the lease was entered into
30 or the bonds were issued.

31 (2) By a county, city, or town for:

32 (A) the construction or acquisition of, or remedial action with
33 respect to, a capital project for which the unit is empowered to
34 issue general obligation bonds or establish a fund under any
35 statute listed in IC 6-1.1-18.5-9.8;

36 (B) the retirement of bonds issued under any provision of
37 Indiana law for a capital project;

38 (C) the payment of lease rentals under any statute for a capital
39 project;

40 (D) contract payments to a nonprofit corporation whose
41 primary corporate purpose is to assist government in planning
42 and implementing economic development projects;

43 (E) operating expenses of a governmental entity that plans or
44 implements economic development projects;

45 (F) to the extent not otherwise allowed under this chapter,
46 funding substance removal or remedial action in a designated
47 unit; or

1 (G) funding of a revolving fund established under
2 IC 5-1-14-14.

3 (c) As used in this section, an economic development project is any
4 project that:

- 5 (1) the county, city, or town determines will:
- 6 (A) promote significant opportunities for the gainful
 - 7 employment of its citizens;
 - 8 (B) attract a major new business enterprise to the unit; or
 - 9 (C) retain or expand a significant business enterprise within
 - 10 the unit; and
 - 11 (2) involves an expenditure for:
 - 12 (A) the acquisition of land;
 - 13 (B) interests in land;
 - 14 (C) site improvements;
 - 15 (D) infrastructure improvements;
 - 16 (E) buildings;
 - 17 (F) structures;
 - 18 (G) rehabilitation, renovation, and enlargement of buildings
 - 19 and structures;
 - 20 (H) machinery;
 - 21 (I) equipment;
 - 22 (J) furnishings;
 - 23 (K) facilities;
 - 24 (L) administrative expenses associated with such a project,
 - 25 including contract payments authorized under subsection
 - 26 (b)(2)(D);
 - 27 (M) operating expenses authorized under subsection (b)(2)(E);
 - 28 or
 - 29 (N) to the extent not otherwise allowed under this chapter,
 - 30 substance removal or remedial action in a designated unit;
 - 31 or any combination of these.

32 SECTION 10. IC 6-3.5-7-15 IS AMENDED TO READ AS
33 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 15. (a) The
34 executive of a county, city, or town may, **subject to the use of the**
35 **certified distribution permitted under sections 25 and 26 of this**
36 **chapter:**

- 37 (1) adopt a capital improvement plan specifying the uses of the
- 38 revenues to be received under this chapter; or
- 39 (2) designate the county or a city or town in the county as the
- 40 recipient of all or a part of its share of the distribution.
- 41 (b) If a designation is made under subsection (a)(2), the county
- 42 treasurer shall transfer the share or part of the share to the designated
- 43 unit unless that unit does not have a capital improvement plan.
- 44 (c) A county, city, or town that fails to adopt a capital improvement
- 45 plan may not receive:
- 46 (1) its fractional amount of the certified distribution; or
- 47 (2) any amount designated under subsection (c)(2);

for the year or years in which the unit does not have a plan. The county treasurer shall retain the certified distribution and any designated distribution for such a unit in a separate account until the unit adopts a plan. Interest on the separate account becomes part of the account. If a unit fails to adopt a plan for a period of three (3) years, then the balance in the separate account shall be distributed to the other units in the county based on property taxes first due and payable to the units during the calendar year in which the three (3) year period expires.

(d) A capital improvement plan must include the following components:

- (1) Identification and general description of each project that would be funded by the county economic development income tax.
- (2) The estimated total cost of the project.
- (3) Identification of all sources of funds expected to be used for each project.
- (4) The planning, development, and construction schedule of each project.

(e) A capital improvement plan:

- (1) must encompass a period of no less than two (2) years; and
- (2) must incorporate projects the cost of which is at least seventy-five percent (75%) of the fractional amount certified distribution expected to be received by the county, city, or town in that period of time.

(f) In making a designation under subsection (a)(2), the executive must specify the purpose and duration of the designation. If the designation is made to provide for the payment of lease rentals or bond payments, the executive may specify that the designation and its duration are irrevocable.

SECTION 11. IC 6-3.5-7-16, AS AMENDED BY P.L.157-2002, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 16. (a) Except as provided in ~~subsection~~ **subsections (b) and (c)**, on May 1 of each year, one-half (1/2) of each county's certified distribution for a calendar year shall be distributed from its account established under section 10 of this chapter to the county treasurer. The other one-half (1/2) shall be distributed on November 1 of that calendar year.

(b) This subsection applies to a county having a population of more than one hundred forty-five thousand (145,000) but less than one hundred forty-eight thousand (148,000). Notwithstanding section 11 of this chapter, the initial certified distribution certified for a county under section 11 of this chapter shall be distributed to the county treasurer from the account established for the county under section 10 of this chapter according to the following schedule during the eighteen (18) month period beginning on July 1 of the year in which the county initially adopts an ordinance under section 2 of this chapter:

- (1) One-fourth (1/4) on October 1 of the year in which the

ordinance was adopted.

(2) One-fourth (1/4) on January 1 of the calendar year following the year in which the ordinance was adopted.

(3) One-fourth (1/4) on May 1 of the calendar year following the year in which the ordinance was adopted.

(4) One-fourth (1/4) on November 1 of the calendar year following the year in which the ordinance was adopted.

The county auditor and county treasurer shall distribute amounts received under this subsection to a county and each city or town in the county in the same proportions as are set forth in section 12 of this chapter. Certified distributions made to the county treasurer for calendar years following the eighteen (18) month period described in this subsection shall be made as provided in subsection (a).

(c) Before July 1 of each year, a county's certified distribution for additional homestead credits under section 25 or 26 of this chapter for the year shall be distributed from the county's account established under section 10 of this chapter.

(d) All distributions from an account established under section 10 of this chapter shall be made by warrants issued by the auditor of state to the treasurer of state ordering the appropriate payments.

SECTION 12. IC 6-3.5-7-23, AS AMENDED BY P.L.87-2002, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 23. (a) This section applies only to a county having a population of more than fifty-five thousand (55,000) but less than sixty-five thousand (65,000).

(b) The county council may by ordinance determine that, in order to promote the development of libraries in the county and thereby encourage economic development, it is necessary to use economic development income tax revenue to replace library property taxes in the county. However, a county council may adopt an ordinance under this subsection only if all territory in the county is included in a library district.

(c) If the county council makes a determination under subsection (b), the county council may designate the county economic development income tax revenue generated by the tax rate adopted under section 5 of this chapter, or revenue generated by a portion of the tax rate, as revenue that will be used to replace public library property taxes imposed by public libraries in the county. The county council may not designate for library property tax replacement purposes any county economic development income tax revenue that is generated by a tax rate of more than fifteen-hundredths percent (0.15%).

(d) The county treasurer shall establish a library property tax replacement fund to be used only for the purposes described in this section. County economic development income tax revenues derived from the portion of the tax rate designated for property tax replacement credits under subsection (c) shall be deposited in the library property tax replacement fund before certified distributions are made under

1 section 12 of this chapter. Any interest earned on money in the library
2 property tax replacement fund shall be credited to the library property
3 tax replacement fund.

4 (e) The amount of county economic development income tax
5 revenue dedicated to providing library property tax replacement credits
6 shall, in the manner prescribed in this section, be allocated to public
7 libraries operating in the county and shall be used by those public
8 libraries as property tax replacement credits. The amount of property
9 tax replacement credits that each public library in the county is entitled
10 to receive during a calendar year under this section equals the lesser of:

11 (1) the product of:

12 (A) the amount of revenue deposited by the county auditor in
13 the library property tax replacement fund; multiplied by

14 (B) a fraction described as follows:

15 (i) The numerator of the fraction equals the sum of the total
16 property taxes that would have been collected by the public
17 library during the previous calendar year from taxpayers
18 located within the library district if the property tax
19 replacement under this section had not been in effect.

20 (ii) The denominator of the fraction equals the sum of the
21 total property taxes that would have been collected during
22 the previous year from taxpayers located within the county
23 by all public libraries that are eligible to receive property tax
24 replacement credits under this section if the property tax
25 replacement under this section had not been in effect; or

26 (2) the total property taxes that would otherwise be collected by
27 the public library for the calendar year if the property tax
28 replacement credit under this section were not in effect.

29 The department of local government finance shall make any
30 adjustments necessary to account for the expansion of a library district.
31 However, a public library is eligible to receive property tax
32 replacement credits under this section only if it has entered into
33 reciprocal borrowing agreements with all other public libraries in the
34 county. If the total amount of county economic development income
35 tax revenue deposited by the county auditor in the library property tax
36 replacement fund for a calendar year exceeds the total property tax
37 liability that would otherwise be imposed for public libraries in the
38 county for the year, the excess shall remain in the library property tax
39 replacement fund and shall be used for library property tax replacement
40 purposes in the following calendar year.

41 (f) Notwithstanding subsection (e), if a public library did not impose
42 a property tax levy during the previous calendar year, that public
43 library is entitled to receive a part of the property tax replacement
44 credits to be distributed for the calendar year. The amount of property
45 tax replacement credits the public library is entitled to receive during
46 the calendar year equals the product of:

47 (1) the amount of revenue deposited in the library property tax

1 replacement fund; multiplied by

2 (2) a fraction. The numerator of the fraction equals the budget of
3 the public library for that calendar year. The denominator of the
4 fraction equals the aggregate budgets of public libraries in the
5 county for that calendar year.

6 If for a calendar year a public library is allocated a part of the property
7 tax replacement credits under this subsection, then the amount of
8 property tax credits distributed to other public libraries in the county
9 for the calendar year shall be reduced by the amount to be distributed
10 as property tax replacement credits under this subsection. The
11 department of local government finance shall make any adjustments
12 required by this subsection and provide the adjustments to the county
13 auditor.

14 (g) The department of local government finance shall inform the
15 county auditor of the amount of property tax replacement credits that
16 each public library in the county is entitled to receive under this
17 section. The county auditor shall certify to each public library the
18 amount of property tax replacement credits that the public library is
19 entitled to receive during that calendar year. The county auditor shall
20 also certify these amounts to the county treasurer.

21 (h) A public library receiving property tax replacement credits under
22 this section shall allocate the credits among each fund for which a
23 distinct property tax levy is imposed. The amount that must be
24 allocated to each fund equals:

25 (1) the amount of property tax replacement credits provided to the
26 public library under this section; multiplied by

27 (2) the amount determined in STEP THREE of the following
28 formula:

29 STEP ONE: Determine the property taxes that would have
30 been collected for each fund by the public library during the
31 previous calendar year if the property tax replacement under
32 this section had not been in effect.

33 STEP TWO: Determine the sum of the total property taxes that
34 would have been collected for all funds by the public library
35 during the previous calendar year if the property tax
36 replacement under this section had not been in effect.

37 STEP THREE: Divide the STEP ONE amount by the STEP
38 TWO amount.

39 However, if a public library did not impose a property tax levy during
40 the previous calendar year or did not impose a property tax levy for a
41 particular fund during the previous calendar year, but the public library
42 is imposing a property tax levy in the current calendar year or is
43 imposing a property tax levy for the particular fund in the current
44 calendar year, the department of local government finance shall adjust
45 the amount of property tax replacement credits allocated among the
46 various funds of the public library and shall provide the adjustment to
47 the county auditor. If a public library receiving property tax

replacement credits under this section does not impose a property tax levy for a particular fund that is first due and payable in a calendar year in which the property tax replacement credits are being distributed, the public library is not required to allocate to that fund a part of the property tax replacement credits to be distributed to the public library. Notwithstanding IC 6-1.1-20-1.1(1), a public library that receives property tax replacement credits under this section is subject to the procedures for the issuance of bonds set forth in IC 6-1.1-20.

(i) For each public library that receives property tax credits under this section, the department of local government finance shall certify to the county auditor the property tax rate applicable to each fund after the property tax replacement credits are allocated.

(j) A public library shall treat property tax replacement credits received during a particular calendar year under this section as a part of the public library's property tax levy for each fund for that same calendar year for purposes of fixing the public library's budget and for purposes of the property tax levy limits imposed by IC 6-1.1-18.5.

(k) The property tax replacement credits that are received under this section do not reduce the total county tax levy that is used to compute the state property tax replacement credit under IC 6-1.1-21. For the purpose of computing and distributing certified distributions under IC 6-3.5-1.1 and tax revenue under ~~IC 6-5-10~~, ~~IC 6-5-11~~, ~~IC 6-5-12~~, IC 6-5.5 or IC 6-6-5, the property tax replacement credits that are received under this section shall be treated as though they were property taxes that were due and payable during that same calendar year.

SECTION 13. IC 6-3.5-7-25 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2003]: **Sec. 25. (a) This section applies only to a county that has adopted an ordinance under IC 6-1.1-12-41(f).**

(b) For purposes of this section, "imposing entity" means the entity that adopted the ordinance under IC 6-1.1-12-41(f).

(c) The imposing entity shall adopt an ordinance to provide for the use of the certified distribution described in section 16(c) of this chapter for the purpose provided in subsection (e). A county income tax council that adopts an ordinance under this subsection shall use the procedures set forth in IC 6-3.5-6 concerning the adoption of an ordinance for the imposition of the county option income tax. An ordinance must be adopted under this subsection after January 1 but before April 1 of a calendar year. The ordinance may provide for an additional rate under section 5(p) of this chapter. An ordinance adopted under this subsection:

(1) first applies to the certified distribution described in section 16(c) of this chapter made in the calendar year that immediately succeeds the calendar year in which the ordinance is adopted;

(2) must specify the calendar years to which the ordinance

1 applies; and

2 (3) must specify that the certified distribution must be used
3 for the purpose provided in subsection (e).

4 An ordinance adopted under this subsection may be combined with
5 an ordinance adopted under section 26 of this chapter.

6 (d) If an ordinance is adopted under subsection (c), the
7 percentage of the certified distribution specified in the ordinance
8 for use for the purpose provided in subsection (e) shall be:

9 (1) retained by the county auditor under subsection (g); and

10 (2) used for the purpose provided in subsection (e) instead of
11 the purposes specified in the capital improvement plans
12 adopted under section 15 of this chapter.

13 (e) If an ordinance is adopted under subsection (c), the imposing
14 entity shall use the certified distribution described in section 16(c)
15 of this chapter to increase the percentage of the homestead credit
16 allowed in the county under IC 6-1.1-20.9 for a year to offset the
17 effect on homesteads in the county resulting from a county
18 deduction for inventory under IC 6-1.1-12-41. The county auditor
19 shall, for each calendar year in which an increased homestead
20 credit percentage is authorized under this section, determine:

21 (1) the amount of the certified distribution that is available to
22 provide an increased homestead credit percentage for the
23 year;

24 (2) the amount of uniformly applied homestead credits for the
25 year in the county that equals the amount determined under
26 subdivision (1); and

27 (3) the increased percentage of homestead credit that equates
28 to the amount of homestead credits determined under
29 subdivision (2).

30 (f) The increased percentage of homestead credit determined by
31 the county auditor under subsection (e) applies uniformly in the
32 county in the calendar year for which the increased percentage is
33 determined.

34 (g) The county auditor shall retain from the payments of the
35 county's certified distribution an amount equal to the revenue lost,
36 if any, due to the increase of the homestead credit within the
37 county. The money shall be distributed to the civil taxing units and
38 school corporations of the county:

39 (1) as if the money were from property tax collections; and

40 (2) in such a manner that no civil taxing unit or school
41 corporation will suffer a net revenue loss because of the
42 allowance of an increased homestead credit.

43 SECTION 14. IC 6-3.5-7-26 IS ADDED TO THE INDIANA CODE
44 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE
45 JANUARY 1, 2003]: Sec. 26. (a) This section applies only to
46 homestead credits for property taxes first due and payable after
47 calendar year 2006.

48 (b) For purposes of this section, "adopting entity" means the

entity that:

- (1) adopts an ordinance under IC 6-1.1-12-41(f); or
- (2) any other entity that may impose a county economic development income tax under section 5 of this chapter.

(c) An adopting entity may adopt an ordinance to provide for the use of the certified distribution described in section 16(c) of this chapter for the purpose provided in subsection (e). An adopting entity that adopts an ordinance under this subsection shall use the procedures set forth in IC 6-3.5-6 concerning the adoption of an ordinance for the imposition of the county option income tax. An ordinance must be adopted under this subsection after January 1 but before April 1 of a calendar year. The ordinance may provide for an additional rate under section 5(p) of this chapter. An ordinance adopted under this subsection:

- (1) first applies to the certified distribution described in section 16(c) of this chapter made in the later of the calendar year that immediately succeeds the calendar year in which the ordinance is adopted or calendar year 2007; and
- (2) must specify that the certified distribution must be used for the purpose provided in subsection (e).

An ordinance adopted under this subsection may be combined with an ordinance adopted under section 25 of this chapter.

(d) If an ordinance is adopted under subsection (c), the percentage of the certified distribution specified in the ordinance for use for the purpose provided in subsection (e) shall be:

- (1) retained by the county auditor under subsection (g); and
- (2) used for the purpose provided in subsection (e) instead of the purposes specified in the capital improvement plans adopted under section 15 of this chapter.

(e) If an ordinance is adopted under subsection (c), the adopting entity shall use the certified distribution described in section 16(c) of this chapter to increase the percentage of the homestead credit allowed in the county under IC 6-1.1-20.9 for a year to offset the effect on homesteads in the county resulting from the statewide deduction for inventory under IC 6-1.1-12-42. The county auditor shall, for each calendar year in which an increased homestead credit percentage is authorized under this section, determine:

- (1) the amount of the certified distribution that is available to provide an increased homestead credit percentage for the year;
- (2) the amount of uniformly applied homestead credits for the year in the county that equals the amount determined under subdivision (1); and
- (3) the increased percentage of homestead credit that equates to the amount of homestead credits determined under subdivision (2).

(f) The increased percentage of homestead credit determined by the county auditor under subsection (e) applies uniformly in the

1 county in the calendar year for which the increased percentage is
2 determined.

3 (g) The county auditor shall retain from the payments of the
4 county's certified distribution an amount equal to the revenue lost,
5 if any, due to the increase of the homestead credit within the
6 county. The money shall be distributed to the civil taxing units and
7 school corporations of the county:

8 (1) as if the money were from property tax collections; and

9 (2) in such a manner that no civil taxing unit or school
10 corporation will suffer a net revenue loss because of the
11 allowance of an increased homestead credit.

12 SECTION 15. IC 6-6-1.1-201 IS AMENDED TO READ AS
13 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 201. A license tax
14 of ~~fifteen~~ **twenty** cents (~~\$0.15~~) (**\$0.20**) per gallon is imposed on the use
15 of all gasoline used in Indiana, except as otherwise provided by this
16 chapter. The distributor shall initially pay the tax on the billed
17 gallonage of all gasoline the distributor receives in this state, less any
18 deductions authorized by this chapter. The distributor shall then add
19 the per gallon amount of tax to the selling price of each gallon of
20 gasoline sold in this state and collected from the purchaser so that the
21 ultimate consumer bears the burden of the tax.

22 SECTION 16. IC 6-6-1.1-801.5 IS AMENDED TO READ AS
23 FOLLOWS [EFFECTIVE FEBRUARY 1, 2003]: Sec. 801.5. (a) The
24 administrator shall transfer ~~one-fifteenth (1/15)~~ **one cent (\$0.01)** of the
25 taxes that are collected **on each gallon of gasoline** under this chapter
26 to the state highway road construction and improvement fund.

27 (b) **After the transfer required by subsection (a), the**
28 **administrator shall transfer:**

29 (1) **the next two million five hundred thousand dollars**
30 **(\$2,500,000) of the taxes that are collected under this chapter**
31 **and received after December 31, 2002, and before July 1,**
32 **2003; and**

33 (2) **the next five million dollars (\$5,000,000) of the taxes that**
34 **are collected under this chapter and received during the**
35 **period beginning July 1 in 2003 and each year thereafter and**
36 **ending June 30 of the immediately succeeding year;**

37 **to the public mass transportation fund established by IC 8-23-3-8.**

38 (c) After the ~~transfer~~ **transfers** required by ~~subsection~~ **subsections**
39 **(a) and (b),** the administrator shall transfer the next twenty-five million
40 dollars (\$25,000,000) of the taxes that are collected under this chapter
41 and received during a period beginning July 1 of a year and ending
42 June 30 of the immediately succeeding year to the auditor of state for
43 distribution in the following manner:

44 (1) thirty percent (30%) to each of the counties, cities, and towns
45 eligible to receive a distribution from the local road and street
46 account under IC 8-14-2 and in the same proportion among the
47 counties, cities, and towns as funds are distributed under

1 IC 8-14-2-4;

2 (2) thirty percent (30%) to each of the counties, cities, and towns
3 eligible to receive a distribution from the motor vehicle highway
4 account under IC 8-14-1 and in the same proportion among the
5 counties, cities, and towns as funds are distributed from the motor
6 vehicle highway account under IC 8-14-1; and

7 (3) forty percent (40%) to the Indiana department of
8 transportation.

9 ~~(c)~~ (d) The auditor of state shall hold all amounts of collections
10 received under subsection ~~(b)~~ (c) from the administrator that are made
11 during a particular month and shall distribute all of those amounts
12 pursuant to subsection ~~(b)~~ (c) on the fifth day of the immediately
13 succeeding month.

14 ~~(d)~~ (e) All amounts distributed under subsection ~~(b)~~ (c) may only be
15 used for purposes that money distributed from the motor vehicle
16 highway account may be expended under IC 8-14-1.

17 SECTION 17. IC 6-7-1-12 IS AMENDED TO READ AS
18 FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 12. (a) The following
19 taxes are imposed, and shall be collected and paid as provided in this
20 chapter, upon the sale, exchange, bartering, furnishing, giving away, or
21 otherwise disposing of cigarettes within the state of Indiana:

22 (1) On cigarettes weighing not more than three (3) pounds per
23 thousand (1,000), a tax at the rate of ~~seven hundred seventy-five~~
24 ~~thousandths of a cent (\$0.00775)~~ **two and two hundred**
25 **seventy-five thousandths of a cent (\$0.02275)** per individual
26 cigarette.

27 (2) On cigarettes weighing more than three (3) pounds per
28 thousand (1,000), a tax at the rate of ~~one and three-hundredths of~~
29 ~~a cent (\$0.0103)~~ **three and two hundred thirty-five**
30 **ten-thousandths of a cent (\$0.030235)** per individual cigarette,
31 except that if any cigarettes weighing more than three (3) pounds
32 per thousand (1,000) shall be more than six and one-half (6 1/2)
33 inches in length, they shall be taxable at the rate provided in
34 subdivision (1), counting each two and three-fourths (2 3/4)
35 inches (or fraction thereof) as a separate cigarette.

36 (b) Upon all cigarette papers, wrappers, or tubes, made or prepared
37 for the purpose of making cigarettes, which are sold, exchanged,
38 bartered, given away, or otherwise disposed of within the state of
39 Indiana (other than to a manufacturer of cigarettes for use by him in the
40 manufacture of cigarettes), the following taxes are imposed, and shall
41 be collected and paid as provided in this chapter:

42 (1) On fifty (50) papers or less, a tax of one-half cent (\$0.005).

43 (2) On more than fifty (50) papers but not more than one hundred
44 (100) papers, a tax of one cent (\$0.01).

45 (3) On more than one hundred (100) papers, one-half cent
46 (\$0.005) for each fifty (50) papers or fractional part thereof.

47 (4) On tubes, one cent (\$0.01) for each fifty (50) tubes or

1 fractional part thereof.

2 SECTION 18. IC 6-7-1-17 IS AMENDED TO READ AS
3 FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 17. (a) Distributors
4 who hold certificates and retailers shall be agents of the state in the
5 collection of the taxes imposed by this chapter and the amount of the
6 tax levied, assessed, and imposed by this chapter on cigarettes sold,
7 exchanged, bartered, furnished, given away, or otherwise disposed of
8 by distributors or to retailers. Distributors who hold certificates shall
9 be agents of the department to affix the required stamps and shall be
10 entitled to purchase the stamps from the department at a discount of
11 ~~four one and four-tenths percent (4%)~~ **(1.4%)** of the amount of the tax
12 stamps purchased, as compensation for their labor and expense.

13 (b) The department may permit distributors who hold certificates
14 and who are admitted to do business in Indiana to pay for revenue
15 stamps within thirty (30) days after the date of purchase. However, the
16 privilege is extended upon the express condition that a bond or letter
17 of credit satisfactory to the department, in an amount not less than the
18 sales price of the stamps, is filed with the department, and proof of
19 payment is made of all local property, state income, and excise taxes
20 for which any such distributor may be liable. The bond or letter of
21 credit, conditioned to secure payment for the stamps, shall be executed
22 by the distributor as principal and by a corporation duly authorized to
23 engage in business as a surety company or financial institution in
24 Indiana.

25 SECTION 19. IC 6-7-1-28.1 IS AMENDED TO READ AS
26 FOLLOWS [EFFECTIVE AUGUST 1, 2002]: Sec. 28.1. The taxes,
27 registration fees, fines, or penalties collected under this chapter shall
28 be deposited in the following manner:

29 (1) ~~Seven thirty-firsts (7/31)~~ **Seven and ninety-eight hundredths**
30 **percent (7.98%)** of the money shall be deposited in a fund to be
31 known as the cigarette tax fund.

32 (2) ~~One thirty-first (1/31)~~ **One and fourteen hundredths percent**
33 **(1.14%)** of the money shall be deposited in a fund to be known as
34 the mental health centers fund.

35 (3) ~~Fourteen thirty-firsts (14/31)~~ **Eighty and sixty-three**
36 **hundredths percent (80.63%)** of the money shall be deposited
37 in the state general fund.

38 (4) ~~Nine thirty-firsts (9/31)~~ **Ten and twenty-five hundredths**
39 **percent (10.25%)** of the money shall be deposited into the
40 pension relief fund established in IC 5-10.3-11.

41 The money in the cigarette tax fund, the mental health centers fund, or
42 the pension relief fund at the end of a fiscal year does not revert to the
43 state general fund. However, if in any fiscal year, the amount allocated
44 to a fund under subdivision (1) or (2) is less than the amount received
45 in fiscal year 1977, then that fund shall be credited with the difference
46 between the amount allocated and the amount received in fiscal year
47 1977, and the allocation for the fiscal year to the fund under

subdivision (3) shall be reduced by the amount of that difference.

SECTION 20. IC 6-7-2-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 7. A tax is imposed on the distribution of tobacco products in Indiana at the rate of ~~fifteen~~ **eighteen** percent (~~15%~~) (**18%**) of the wholesale price of the tobacco products. The distributor of the tobacco products is liable for the tax. The tax is imposed at the time the distributor:

- (1) brings or causes tobacco products to be brought into Indiana for distribution;
- (2) manufactures tobacco products in Indiana for distribution; or
- (3) transports tobacco products to retail dealers in Indiana for resale by those retail dealers.

SECTION 21. IC 6-7-2-13 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 13. A distributor that files a complete return and pays the tax due within the time specified in section 12 of this chapter is entitled to deduct and retain from the tax a collection allowance of ~~one percent (1%)~~ **six-thousandths (0.006)** of the amount due. If a distributor files an incomplete report, the department may reduce the collection allowance by an amount that does not exceed the lesser of:

- (1) ten percent (10%) of the collection allowance; or
- (2) fifty dollars (\$50).

SECTION 22. IC 6-7-2-21.1 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: **Sec. 21.1. (a) A distributor who:**

- (1) holds a license under IC 4-31, IC 4-33, or IC 6-7; and**
- (2) purchases tobacco products to resell;**

bears the burden of proof that the tobacco products tax imposed by this chapter was paid on all tobacco products purchased to resell.

(b) A distributor described in subsection (a) who knowingly or intentionally fails to pay the tax imposed by this chapter commits a Class D felony.

SECTION 23. IC 12-24-1-3, AS AMENDED BY P.L.215-2001, SECTION 64, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2002 (RETROACTIVE)]: Sec. 3. (a) The director of the division of mental health and addiction has administrative control of and responsibility for the following state institutions:

- (1) Central State Hospital.
- (2) Evansville State Hospital.
- (3) Evansville State Psychiatric Treatment Center for Children.
- (4) Larue D. Carter Memorial Hospital.
- (5) Logansport State Hospital.
- (6) Madison State Hospital.
- (7) Richmond State Hospital.
- (8) Any other state owned or operated mental health institution.

(b) Subject to the approval of the director of the budget agency and the governor, the director of the division of mental health and addiction

1 may contract for the management and clinical operation of Larue D.
2 Carter Memorial Hospital.

3 **(c) The following apply to the Evansville State Psychiatric**
4 **Treatment Center for Children:**

5 **(1) Notwithstanding any other statute or policy, the division**
6 **of mental health and addiction may not do the following after**
7 **December 31, 2001, unless specifically authorized by a statute**
8 **enacted by the general assembly:**

9 **(A) Terminate, in whole or in part, normal patient care or**
10 **other operations at the facility.**

11 **(B) Reduce the staffing levels and classifications below**
12 **those in effect at the facility on January 1, 2002.**

13 **(C) Terminate the employment of an employee of the**
14 **facility except for cause in accordance with IC 4-15-2.**

15 **(2) The division of mental health and addiction shall fill a**
16 **vacancy created by a termination described in subdivision**
17 **(1)(C) so that the staffing levels at the facility are not reduced**
18 **below the staffing levels in effect on January 1, 2002.**

19 **(3) Notwithstanding any other statute or policy, the division**
20 **of mental health and addiction may not remove, transfer, or**
21 **discharge any patient at the facility unless the removal,**
22 **transfer, or discharge is in the patient's best interest.**

23 **SECTION 24. IC 12-24-2-9 IS ADDED TO THE INDIANA CODE**
24 **AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE**
25 **UPON PASSAGE]: Sec. 9. Notwithstanding any other law, an**
26 **individual shall be admitted to the Evansville State Psychiatric**
27 **Treatment Center for Children if the decision to admit the**
28 **individual is approved by:**

29 **(1) the individual's gatekeeper; and**

30 **(2) the Evansville State Psychiatric Treatment Center for**
31 **Children's admission committee, which must consist of at**
32 **least the following individuals:**

33 **(A) The superintendent.**

34 **(B) The medical director.**

35 **(C) The clinical director.**

36 **(D) The director of nursing.**

37 **SECTION 25. [EFFECTIVE JULY 1, 2001 (RETROACTIVE)] (a)**
38 **Notwithstanding any notice sent after June 30, 2001, the division**
39 **of mental health and addiction may not terminate or lay off any**
40 **employee at the Evansville State Psychiatric Treatment Center for**
41 **Children after June 30, 2001, solely as a part of a staff reduction**
42 **plan.**

43 **(b) Notwithstanding any other statute or policy, any employee**
44 **at the Evansville State Psychiatric Treatment Center for Children**
45 **terminated or laid off after June 30, 2001, solely as a part of a staff**
46 **reduction plan shall have a preference for recall or reemployment**
47 **at the facility.**

48 **(c) This SECTION does not prohibit, after June 30, 2001, the**

1 termination of the employment of an employee for cause in
 2 accordance with IC 4-15-2. However, the division of mental health
 3 and addiction shall fill a vacancy created by the termination so that
 4 the staffing levels at the Evansville State Psychiatric Treatment
 5 Center for Children are not reduced below the staffing levels in
 6 effect on January 1, 2002.

7 SECTION 26. [EFFECTIVE UPON PASSAGE] In addition to the
 8 requirements of any other law concerning procedures for the
 9 closure of Muscatatuck State Developmental Center, the director
 10 of the division of disability, aging, and rehabilitative services may
 11 not complete the closure of Muscatatuck State Developmental
 12 Center until residents of the center are placed in adequate
 13 placements that meet the following criteria:

14 (1) The placements must appropriately meet the capabilities
 15 and needs of the residents.

16 (2) The placements must be located reasonably close to the
 17 families of residents so that the families may maintain the
 18 same level of contact with the residents that the families had
 19 before the residents were transferred from Muscatatuck State
 20 Developmental Center.

21 (3) The placements must be presented to the individual or the
 22 individual's representative for the person's input.

23 If there is a conflict between the provisions of this SECTION and
 24 SEA 217-2002 with respect to the criteria for the placements
 25 described in this SECTION, it is the intent of the general assembly
 26 that the criteria listed in this SECTION apply instead of those
 27 listed in SEA 217-2002.

28 SECTION 27. [EFFECTIVE JULY 1, 2002] Revenue stamps (as
 29 defined in IC 6-7-1-9) paid for before July 1, 2002, at the rate of
 30 taxation in effect under IC 6-7-1-12 on the date of purchase may be
 31 used after June 30, 2002, only if the full amount of the tax imposed
 32 by IC 6-7-1-12, as amended by this act, is remitted to the
 33 department of state revenue under the procedures prescribed by
 34 the department.

35 SECTION 28. [EFFECTIVE JANUARY 1, 2002
 36 (RETROACTIVE)] (a) The definitions in IC 6-1.1-1 apply
 37 throughout this SECTION.

38 (b) Except to the extent that the rule specifically conflicts with
 39 a statute, tangible personal property within the scope of 50 IAC 4.2
 40 (as in effect January 1, 2001) shall be assessed on the assessment
 41 date in calendar year 2002 in conformity with 50 IAC 4.2 (as in
 42 effect January 1, 2001).

43 (c) The publisher of the Indiana Administrative Code may
 44 continue to publish 50 IAC 4.2 (as in effect January 1, 2001) in the
 45 Indiana Administrative Code.

46 (d) 50 IAC 4.3 and any other rule to the extent that it conflicts
 47 with this SECTION does not apply to assessment dates in calendar
 48 year 2002.

1 (e) A reference in 50 IAC 4.2 to a governmental entity that has
 2 been terminated or a statute that has been repealed or amended
 3 shall be treated as a reference to its successor.

4 (f) A taxpayer that filed a personal property tax return under
 5 IC 6-1.1-3 for the 2002 assessment date based on assessment of the
 6 taxpayer's personal property in conformity with 50 IAC 4.3 shall
 7 file an amended personal property tax return that reflects the
 8 assessment of that personal property in conformity with 50 IAC 4.2
 9 as required by this SECTION. Notwithstanding IC 6-1.1-3-7.5 or
 10 any other law as to the due dates for filing amended personal
 11 property tax returns, the department of local government finance
 12 shall establish the due dates and prescribe the forms for the
 13 amended returns required by this subsection. Notwithstanding
 14 IC 6-1.1-3-7.5 or any other law as to whether a taxpayer shall pay
 15 taxes based on the assessed value reported on the taxpayer's
 16 original personal property tax return or on the taxpayer's
 17 amended return, a taxpayer that files an amended return under
 18 this subsection shall pay taxes payable in 2003 based on the
 19 assessed value reported on the amended return.

20 (g) The department of local government finance may adopt
 21 rules under this SECTION in the manner provided for the
 22 adoption of emergency rules under IC 4-22-2-37.1 to implement
 23 this SECTION. A rule adopted under this SECTION expires on the
 24 earlier of the following:

25 (1) The date another rule is adopted under this SECTION to
 26 replace a previously adopted rule.

27 (2) January 1, 2004.

28 SECTION 29. [EFFECTIVE JANUARY 1, 2002
 29 (RETROACTIVE)] (a) The definitions in IC 6-1.1-1 apply
 30 throughout this SECTION.

31 (b) Except to the extent that the rule specifically conflicts with
 32 a statute, tangible personal property within the scope of 50 IAC 5.1
 33 (as in effect on January 1, 2001) shall be assessed on the assessment
 34 date in calendar year 2002 in conformity with 50 IAC 5.1 (as in
 35 effect January 1, 2001).

36 (c) The publisher of the Indiana Administrative Code may
 37 continue to publish 50 IAC 5.1 (as in effect January 1, 2001) in the
 38 Indiana Administrative Code.

39 (d) 50 IAC 5.2 and any other rule to the extent it conflicts with
 40 this SECTION does not apply to assessment dates in 2002.

41 (e) A reference in 50 IAC 5.1 to a governmental entity that has
 42 been terminated or a statute that has been repealed or amended
 43 shall be treated as a reference to its successor.

44 (f) A public utility that filed a statement under IC 6-1.1-8 for the
 45 2002 assessment date based on assessment of the public utility's
 46 personal property in conformity with 50 IAC 5.2 shall file an
 47 amended statement that reflects the assessment of that personal
 48 property in conformity with 50 IAC 5.1 as required by this

1 **SECTION.** Notwithstanding any other law as to the due dates for
 2 statements filed under IC 6-1.1-8, the department of local
 3 government finance shall establish the due dates and prescribe the
 4 forms for the amended statements required by this subsection.
 5 Notwithstanding any other law as to whether a public utility shall
 6 pay taxes based on the assessed value reported on the public
 7 utility's original statement or on the public utility's amended
 8 statement, a taxpayer that files an amended statement under this
 9 subsection shall pay taxes payable in 2003 based on the assessed
 10 value reported on the amended statement.

11 (g) The department of local government finance may adopt
 12 rules under this SECTION in the manner provided for the
 13 adoption of emergency rules under IC 4-22-2-37.1 to implement
 14 this SECTION. A rule adopted under this SECTION expires on the
 15 earlier of the following:

16 (1) The date another rule is adopted under this SECTION to
 17 replace a previously adopted rule.

18 (2) January 1, 2004.

19 **SECTION 30.** [EFFECTIVE JANUARY 1, 2002
 20 (RETROACTIVE)] (a) The definitions in IC 6-1.1-1 apply
 21 throughout this SECTION.

22 (b) Except to the extent that the rule specifically conflicts with
 23 a statute, real property within the scope of 50 IAC 2.2 (as in effect
 24 on January 1, 2001) or 50 IAC 5.1 (as in effect on January 1, 2001)
 25 shall be assessed on the assessment date in calendar year 2002 in
 26 conformity with 50 IAC 2.2 (as in effect January 1, 2001) or 50
 27 IAC 5.1 (as in effect on January 1, 2001).

28 (c) The publisher of the Indiana Administrative Code may
 29 continue to publish 50 IAC 2.2 (as in effect January 1, 2001) and 50
 30 IAC 5.1 (as in effect on January 1, 2001) in the Indiana
 31 Administrative Code.

32 (d) 50 IAC 2.3, 50 IC 5.2, and any other rule to the extent it
 33 conflicts with this SECTION does not apply to assessment dates in
 34 2002.

35 (e) A reference in 50 IAC 2.2 or 50 IAC 5.1 to a governmental
 36 entity that has been terminated or a statute that has been repealed
 37 or amended shall be treated as a reference to its successor.

38 (f) The department of local government finance may adopt rules
 39 under this SECTION in the manner provided for the adoption of
 40 emergency rules under IC 4-22-2-37.1 to implement this
 41 SECTION. A rule adopted under this SECTION expires on the
 42 earlier of the following:

43 (1) The date another rule is adopted under this SECTION to
 44 replace a previously adopted rule.

45 (2) January 1, 2004.

46 **SECTION 31.** [EFFECTIVE JULY 1, 2002] (a) Notwithstanding
 47 IC 4-12-1-14.3, there is appropriated to the office of the secretary
 48 of family and social services, office of Medicaid policy and

1 planning, from the portion of the tobacco settlement money
2 identified in IC 4-12-1-14.3(f) an amount sufficient for use in
3 meeting Medicaid expenditures resulting from court settlements
4 for the period beginning July 1, 2002, and ending June 30, 2004.

5 (b) The office of Medicaid policy and planning shall present
6 periodic reports detailing proposed expenditures under subsection
7 (a) to the budget committee. Proposed expenditures may be made
8 only after budget committee review and budget agency approval
9 of the report submitted by the office of Medicaid policy and
10 planning.

11 (c) This SECTION expires July 1, 2004.

12 SECTION 32. An emergency is declared for this act.

13 (Reference is to EHB 1001(ss) as printed June 13, 2002.)

Senator SIMPSON